

Bruyère 

AGE-TECH AND THE SILVER ECONOMY:

**Opportunities for Canadian
innovation to support
an aging population**

Written Submission for the Pre-Budget Consultations
in Advance of the 2020 Budget

Friday, August 2, 2019

RECOMMENDATION 1

In pursuit of the *Health and Biosciences Economic Strategy Table* goal of doubling the number of health/biosciences firms and their exports, Bruyère recommends renewing and tripling the amount of funding from \$50 million to \$150 million for Strategic Investment Fund: Stream 4 – Collaborative Technology Development and Demonstration

RECOMMENDATION 2

That the government create a new Economic Strategy Table dedicated to age-tech and the *silver economy*

RECOMMENDATION 3

That the government expand the Canadian Institute of Health Research's (CIHR) Institute of Aging (IA)¹ to include more on age-tech and how these technologies can support healthy aging

RECOMMENDATION 4

That the government build on the success of the Innovation Superclusters Initiative through the creation of an "Age-Tech Supercluster"

RECOMMENDATION 5

That the government continue to invest in the *CAN Health Network*

Imagine a future where seniors are not hospitalized for chronic issues, but instead live in the comfort of their own digitally-equipped smart home. A home directly connected to health care providers and their loved ones, offering safety, security and health monitoring. Imagine a future where seniors, who have lost their ability to drive, are now reissued a new license for an autonomous vehicle—restoring their dignity and independence. A future where the car not only helps seniors get around, but also serves as a diagnostic hub for personalized health care.

Imagine a future where this technology is not only used in Canada, but all over the world; and that when people look at this technology, they see “Made in Canada.”

The *silver economy* is the system of production, distribution and consumption of goods and services aimed at using the purchasing potential of older and aging people and satisfying their consumption, living and health needs.

ABOUT BRUYÈRE

Bruyère is a multi-site academic health care organization that is **maximizing quality of life and helping people stay and return home**. We deliver a wide variety of services in aging and rehabilitation, medically complex, palliative, residential and primary care. Our research leads to constant innovation in the services we provide with a focus on providing care that helps people regain their independence. This work is enhanced by our Foundation that shares our story and raises funds with the support of our generous community.

Since our first Hôtel-Dieu was built in 1845, we have been delivering a wide variety of services and conducting research related to healthy aging and the full care continuum, including providing housing and assisted living for seniors. This blend of service provision and research uniquely positions Bruyère as a trusted leader on matters related to the future of aging in Canada.

As such, Bruyère is pleased to provide this submission to the *House of Commons Standing Committee on Finance* for the pre-budget consultations in advance of the 2020 budget, focused on unlocking the world's fastest-growing and most misunderstood market: the *silver economy*.

BACKGROUND

Bruyère lauds the Government of Canada's creation of a *Minister of Seniors* and the continued support for the *New Horizons for Seniors Program*—a critical funding envelope for supporting older adults across the country. We also strongly support the creation of the first *National Strategy on Dementia*. These initiatives, among many others, are effective means for addressing some of the major challenges seniors face. However, given the unprecedented trajectory of population aging, more will be required in the coming decade.

The world's population is growing older for three primary reasons: 1) people are living longer, 2) birth rates have plummeted, and 3) the baby boomer generation represents a unique population spike that is currently moving into their senior years. There are already a billion seniors worldwide. By 2050, all regions of the world except Africa will have a quarter of their population over the age of 60 and this number will rise to three billion by the end of the century.² ***From a national perspective, being prepared for this demographic shift will be the difference between experiencing it as a global economic opportunity or a national crisis.***

In 2012, one in seven Canadians was a senior and, as a whole, they consumed nearly half of all public-sector health care costs.³ By 2030, one in four Canadians will be a senior citizen. The implications of this demographic shift for health care costs are staggering, without taking into consideration the other institutional pressures and market demands that will swiftly follow as a result. Canada should proactively prepare for our own demographic changes, not only to curb unsustainable health care costs, but to reap the benefits of this global economic opportunity.

² [United Nations \(2018\). UN Global Issues: Ageing](#)

³ [CIHI \(2014\) Health Spending](#)

CHALLENGE

The OECD's 2019 report on the fiscal challenges and growth in aging societies⁴ is clear:

The 'silver economy' can be a powerful source of new products, services and jobs where policies encourage entrepreneurship and innovation... People over 60 are on track to generate more than half of urban consumption growth in developed economies, fuelled by spending on healthcare...

Absent policy changes, ageing pressures could increase the public debt burden by an average of 180% of GDP... over the next three decades.

The OECD's warning of increasing pressure on public debt is already being observed in Canada. This was highlighted in the 2018 Fiscal Sustainability Report by the *Office of the Parliamentary Budget Officer*: "rising health care costs due to population aging drive the deterioration in subnational government finances over the long term." This growing challenge resulted in the Premiers unanimously calling on the federal government to increase funding by an annual escalator of 5.2% to the Canada Health Transfer.⁵ **These pressures will only continue to grow unless Canada can bring innovation to bear, reframing the challenge of the aging population and its burden on our public health care system into a driver for economic growth and improved health outcomes.**

⁴ [OECD \(2019\) Report on fiscal challenges](#)

⁵ [Premiers Committed to Healthcare Sustainability](#)

OPPORTUNITY

Canada is uniquely positioned to seize a global competitive advantage over the *silver economy* if it pursues ambitious policy packages targeting the aging population, especially those related to Long-Term Care (LTC). The domain of LTC is both a low-hanging fruit for alleviating bottom-line pressures through innovation and a priority for transformation.

According to the *Conference Board of Canada*, the country will need 199,000 new LTC beds by 2035, costing at least \$130 billion to the health care system.⁶ While more LTC beds are certainly part of the solution, the health system cannot continue to simply absorb the costs associated with our rapidly aging population. LTC is a distinct subsector within health care where funding is split between health services and accommodation services with a mix of private and public costing options. This blended funding model, in combination with the unsustainable demand for LTC, can serve as the necessary genesis for preparing Canada's health care system and our economy for global aging. *In other words, start with LTC and the rest will follow.*

An emerging branch of health care technology known as "age-tech" is providing novel solutions for LTC, including *assisted living technologies, internet of things, sensors, digital home care and more*. Age-tech for the *silver economy* will be a multi-trillion dollar global market within the next half decade. According to a European Commission study, it is estimated to grow to \$8.5 trillion by 2025 in Europe alone.⁷

⁶ [Conference Board of Canada \(2017\). Demand for LTC Beds](#)

⁷ [European Commission \(2018\). Silver Economy Study](#)

With our global leadership in seniors health care, Canada

has the potential to be the world leader in age-tech. For example, Bruyère has a unique longitudinal dataset that provides insights on how seniors drive and how their driving changes as they age. This database is integrated with other multinational driving databases, health repositories, and other critical data points that link proprietary data on seniors and driving. We know that older adult drivers drive at different times of day, on different roads, respond to environments differently and interact with automobile technology differently, yet companies are not designing the future of driving for the fastest growing population: *seniors*.

A senior's ability to drive and access to a vehicle are incredibly important in reducing social isolation and keeping them healthy, allowing them to stay at home and out of LTC.

Ontario's automotive and autonomous vehicle technology supercluster could align their infrastructure to address this challenge and realize this opportunity. The global autonomous technology for vehicles market is slated to accrue \$85.1 billion by 2027.⁸ We believe our data partnered with our industry will make us global leaders. The potential for Canadian businesses and our health system to thrive during the rise of the *silver economy* is real.

⁸ [Autonomous Vehicles Market 2019 Global Size](#)

RECOMMENDATIONS

Making sure that Canada is a top destination for businesses to invest, grow and create jobs and prosperity for Canadians is one of the government's top priorities.⁹ Investments with a greater focus on age-tech can help achieve these goals. In order for Canada to build a global competitive advantage and truly capitalize on the *silver economy*, Bruyère is recommending the following:

RECOMMENDATION 1

In pursuit of the *Health and Biosciences Economic Strategy Table* goal of doubling the number of health/biosciences firms and their exports,¹⁰ we recommend renewing and tripling the amount of funding from \$50 million to \$150 million for *Strategic Investment Fund: Stream 4 – Collaborative Technology Development and Demonstration*

IMPACT More capacity within the health/biosciences sector to grow firms and exports, while injecting much-needed cash to keep health/biosciences start-ups in Canada

RECOMMENDATION 2

That the government create a new Economic Strategy Table dedicated to age-tech and the *silver economy*

IMPACT Provide an ongoing forum for industry engagement, and demonstrate to our international partners that Canada is taking the challenges faced by our aging population seriously, while also considering the economic opportunities these challenges provide

⁹ [Government of Canada \(2018\). Chapter 3 – Confidence in Canada's Economic Future.](#)

¹⁰ [Government of Canada \(2018\). Report from Canada's Economic Strategy Tables: Health and Biosciences.](#)

RECOMMENDATION 3

That the government expand the *Canadian Institute of Health Research's* (CIHR) Institute of Aging (IA)¹¹ to include more on age-tech and how these technologies can support healthy aging

IMPACT Produce the national data necessary for evidence-based decision-making, making Canada less reliant on international bodies for this information. This important research will be of use to stakeholders and industry across all sectors, private and public alike.

RECOMMENDATION 4

That the government build on the success of the Innovation Superclusters Initiative through the creation of an "Age-Tech Supercluster"

IMPACT Position Canada as the world leader in technologies that benefit the aging population, creating massive economic and investment opportunities while curbing the costs of our health care system

RECOMMENDATION 5

That the government continue to invest in the *CAN Health Network*

IMPACT Jumpstart Canada's competitive advantage on the *silver economy* by leveraging this growing market place for health care technology

Canada (and the world) needs a solution to run-away health care costs associated with caring for the aging population. Canada's health care system and its unique LTC subsector provide fertile ground for local disruption through age-tech that will enable the country to capitalize on the global *silver economy*. **However, in order to unleash this potential, we must implement ambitious policy packages targeting the aging population.** The recommendations above would be an initial step in the right direction to avoid an aging crisis; and will position Canada among other leading countries to effectively compete for this global economic opportunity.

We look forward to working with the government on this exciting opportunity.

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